

# ATLANTIC *Report*

Winter 2010

Vol. 44, No. 4

## **Behind the Economic Recovery: Fundamental Changes Underway in Atlantic Canada**

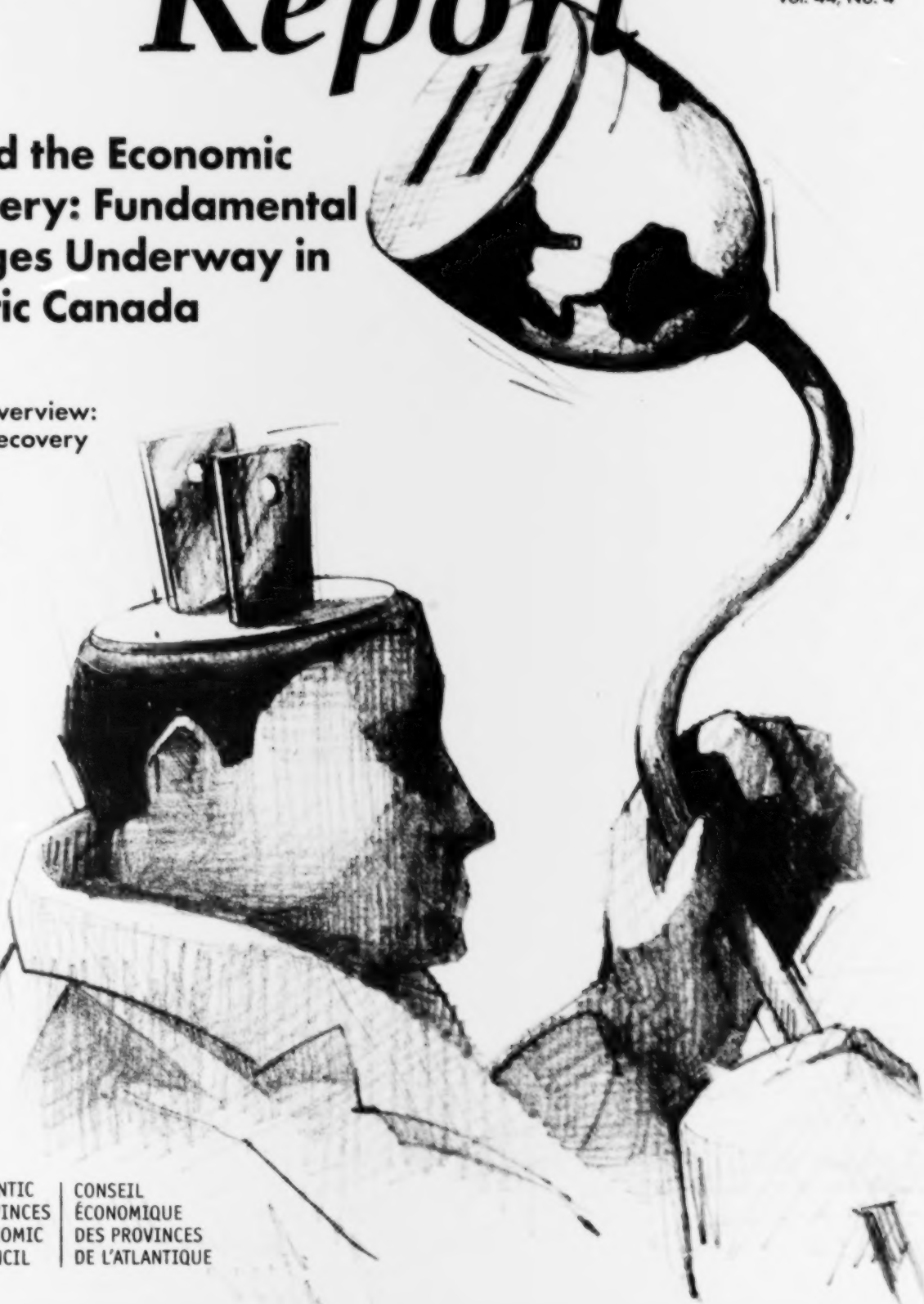
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## About this Report

*Atlantic Report* is published quarterly by the Atlantic Provinces Economic Council (APEC). No part of the material herein may be copied without the express written consent of APEC. Every effort is made to ensure accuracy in analysis and reporting: the material in this issue of Atlantic Report is based on information obtained as of March 29, 2010.

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# Atlantic Report

## Highlights

### **Behind the Economic Recovery: Fundamental Changes Underway in Atlantic Canada**

- ◆ The seemingly relentless process of globalization is playing a pivotal role in reshaping the economy of Atlantic Canada. Many manufacturers have found it difficult to adjust, particularly if they are in industries which are exposed to continual pressure from lower cost competitors.
- ◆ The Atlantic economy has responded to the changes in global trade patterns in a number of ways. First and foremost, the increase in commodity prices as a result of global industrial expansion is propelling resource exploitation including oil and gas developments and mining.
- ◆ Although globalization has hit hard at the resource sector, many newer industries in Atlantic Canada are benefiting from the opportunities in a more global economy including information and communication technologies, biosciences and aerospace and defence.
- ◆ The concurrent trends - continuing concentration of employment in services and the ensuing flow of jobs and population into urban areas - are likely to dominate in Atlantic Canada's evolution over the coming decade.
- ◆ Improving productivity performance to meet the challenges of the global economy can be thought of as Atlantic Canada's defining challenge. However in order to raise the bar further, policies need to be strengthened in two crucial areas - investing in new technologies and in human capital.

### **Atlantic Overview: Signs of Recovery**

- ◆ The Atlantic economy is showing some signs of emerging from the recession. Monthly retail spending in Atlantic Canada has recovered and is currently 1.7% higher than its level prior to the recession.
- ◆ Overall construction activity in the Atlantic region held up during the recession helped by stimulus spending. Public sector construction investment is expected to increase by 15% in Atlantic Canada in 2010 as infrastructure stimulus projects continue to ramp up.
- ◆ However, exports remain subdued. As of January, Atlantic Canada's energy exports are 51% below their pre-recession peak although oil prices are recovering. Atlantic non-energy exports are down about 35% from their pre-recession peak with no sign yet of a pick-up.
- ◆ Reflecting these conflicting pressures, with relatively strong domestic spending but still weak external demand, overall employment in Atlantic Canada remains slightly below pre-recession levels (except in Prince Edward Island).

# Behind the Economic Recovery: Fundamental Changes Underway in Atlantic Canada

Signs of the economic recovery are increasingly evident in Atlantic Canada. In comparison with the recession of the early 1990s, this recession has been relatively mild, with many around the region barely noticing its impact. But even a mild recession can be a tipping point for some individuals and firms, particularly when this follows on the heels of industrial decline and repositioning. In this article, we explore the changes underway in Atlantic Canada's industrial structure as we emerge from this recession.

The seemingly relentless process of globalization is playing a pivotal role in reshaping the economy of Atlantic Canada. The rise of global supply chains facilitated by new transportation, logistics and communications technologies has revolutionized production around the world. Companies can now effectively integrate their business processes through a network of suppliers in many different countries, reducing inventory requirements and eliminating bottlenecks. The continual quest for new producers to supply this chain of production has had a powerful effect in opening up global trade flows. However, there have also been negative consequences for manufacturers in Atlantic Canada as elsewhere in North America. Many have found it difficult to adjust, particularly if they are in industries which are exposed to continual pressure from lower cost competitors.

Globalization is hardly a new phenomenon: the shift to a more globally integrated economy has been steadily progressing for many years. China was an early beneficiary of supply chain



## APEC Major Projects Briefing 2010

Capital Investment Prospects for Atlantic Canada

St. John's, NL ~ June 8, 2010

Halifax, NS ~ June 10, 2010

Moncton, NB ~ June 11, 2010



APEC's annual **Major Projects Briefing** is being held this June to coincide with the release of the 27th edition of APEC's Major Projects Inventory. The Inventory provides an exclusive and highly regarded source of information and analysis on more than 300 of Atlantic Canada's largest investment projects.

The **Major Projects Briefing** will provide you with:

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### Agenda (for details visit [www.apec-econ.ca](http://www.apec-econ.ca))

11:30	Registration
12:00	Lunch
12:25	Opening Remarks: <b>Elizabeth Beale</b> , President & CEO, APEC
12:30	Government's Role in the Current Investment Environment – <i>see APEC site for speakers</i>
12:35	Trends in the 2010 Major Projects Inventory – <b>David Chaundy</b> , Senior Economist, APEC
12:55	Project Details – <b>Patrick Brannon</b> , Research Analyst, APEC
1:10	Business Perspectives on the Current Investment Environment – <i>see APEC site for speakers</i>
1:40	Q&A
2:00	Event Concludes

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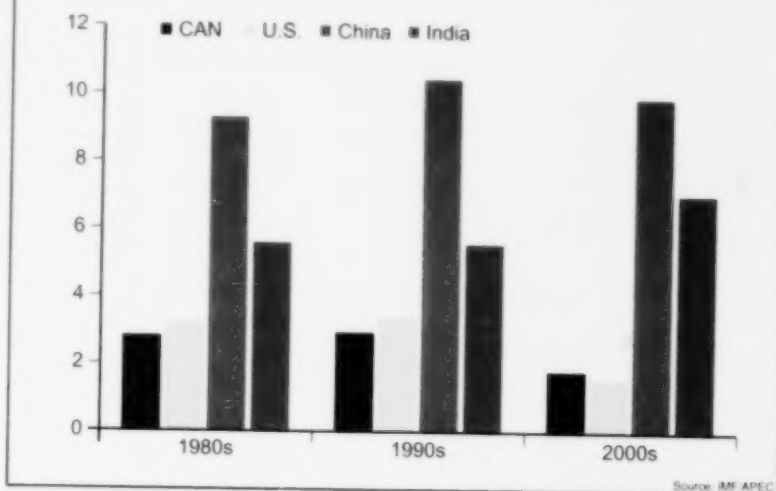
management – its rate of growth has averaged 10% for more than 20 years. Many other emerging economies are now accelerating at a similar pace. This sustained growth has created a growing middle class in many countries, consumers who are themselves now a potent force behind global growth, thus fueling an enormous demand for resources. Canada including the Atlantic region is poised to benefit substantially from this trend over this decade, as one of the world's leading producers and exporters of mineral and energy products.

Despite these shifts in the global economy, the U.S. continues to be the dominant influence on Atlantic Canada, absorbing about 77% of Atlantic exports. But even within this long-established relationship, the patterns of trade are changing, as the prolonged weakness in the U.S. economy in key sectors (i.e. housing and automobiles) and continuous encroachment from cheaper imports reduces the U.S. demand for Canadian products. However, U.S. demand remains robust in one crucial sector – energy.

The Atlantic economy has responded to the changes in global trade patterns in a number of ways. First and foremost, the increase in commodity prices as a result of global industrial expansion is propelling resource exploitation including frontier oil and gas developments (most of which are destined for U.S. markets), and mining (with China as the key driver of demand for products such as iron ore). The mining and energy sector has been the dominant source of investment in this region for close to two decades, accounting for 43% of investment spending in 2009, according to APEC's Major Project Inventory<sup>1</sup>. In total, the mining and oil and gas sector contributed more than a quarter of the region's output growth between 2000 and 2008.

#### Globalization Continues Unabated: Tough Competition for North American Manufacturers

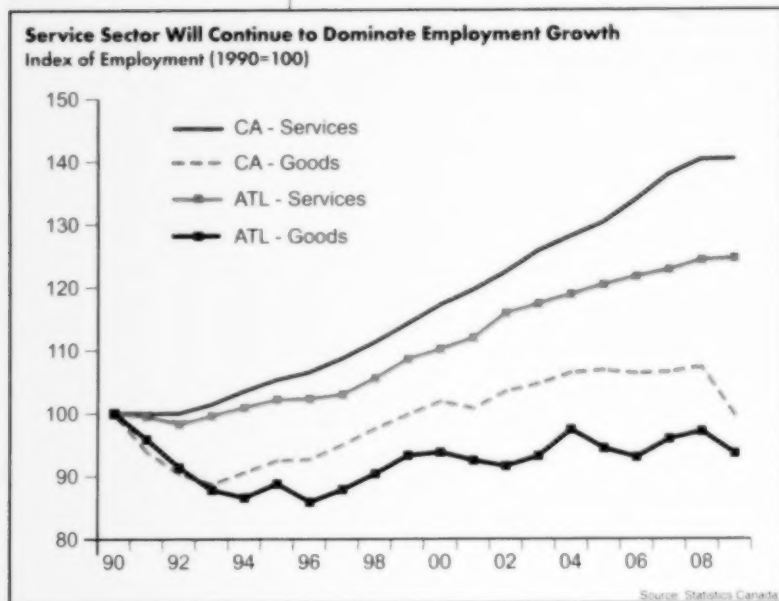
Average annual growth in GDP (%)



Most of the region's mining and offshore oil and gas production is concentrated in Newfoundland and Labrador. Offshore oil production started in 1997 and the province now produces about 11.5% of Canada's oil. With expansion anticipated at existing and new fields, production volumes are expected to be maintained until at least the late years of this decade. The province also contains substantial hydro developments, including 2,000 MW produced at hydro dams on the Upper Churchill river and plans to develop a further 3,000 MW at a series of dams on the Lower Churchill river system, sometime after 2011.

Considerable diversity is now evident in the energy sphere across Atlantic Canada, with production including refined petroleum (now the highest value export product), offshore natural gas, LNG, nuclear and expanding sources of renewable electricity. In total, energy products currently contribute more than half the value of Atlantic merchandise exports, compared with less than 30% at the start of this decade. The recession has certainly had an impact on

## Behind the Economic Recovery: Fundamental Changes Underway in Atlantic Canada



this sector: the value of exports fell sharply in 2009 due to lower prices and a number of projects were shelved. Nevertheless, the long run prospects are strong.

Outside the energy sector, many Atlantic manufacturers have faced a more difficult adjustment to global competition, losing market share in the U.S. as competition from low-cost producers has intensified. Atlantic non-energy merchandise exports to the U.S. dropped from \$9.2 billion in 2000 to \$7 billion in 2008, before falling further in 2009 to \$6.2 billion, a decline of 33% from the peak. Atlantic companies have also lost ground in other international markets. In 2000 for example, Japan was Atlantic Canada's second most important export destination: by 2009, exports had fallen by 53% and Japan is now in sixth place. Japan's imports from China during the same period rose substantially.

This region's traditional resource intensive sectors have been among those most negatively affected by the process of globalization. The Atlantic forest industry enjoyed

a long period of expansion up until the mid point of the past decade, in wood products as the U.S. housing sector expanded, and also in pulp and paper. Since then, there has been significant rationalization. Contributing factors include the emergence of new sources of low-cost competition (in South America and Asia), a shift in consumer preferences (i.e. on-line news sources replacing the need for newsprint), the crash in the U.S. housing market, the significant appreciation of the Canadian dollar since 2003, and the recession. Forest exports fell from a peak of \$4.6 billion in 2000 to \$2.1 billion in 2009, resulting in the closure of a number of mills across the region. A pick up in U.S. growth and steady efforts to improve their cost structure will help the industry in the coming year, however many Atlantic firms may find that customers have gone elsewhere in the intervening period. For example, China's share of the U.S. window and door imports has steadily grown, from 6% to 26% between 2004 and 2009 while the Atlantic share has declined from 6% to 2%.

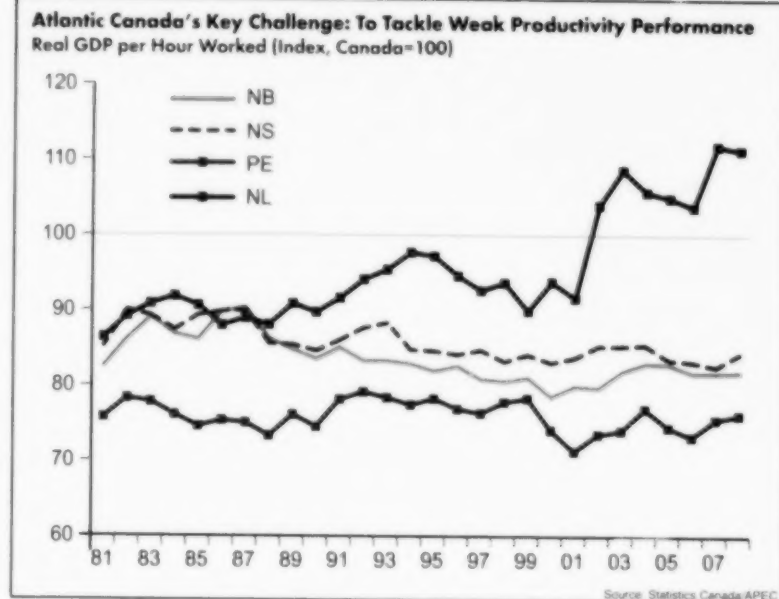
The Atlantic fishing industry has faced a similar adjustment, although in this case, the changes have been underway for a much longer period of time: the fish processing sector began to feel the effects of low cost competition from Asia in the early 1990s. Employment in the fishery has fallen steadily from 62,800 in 1990 to 46,200 in 2008. Fish exports peaked in 2002 at \$3.3 billion, dropping to \$2.3 billion in 2009. In the seafood processing sector, Atlantic Canada accounted for 17% of all U.S. imports of lobster, crab and shrimp in 2000 but that share fell to 7% in 2009. Over the same period, the Chinese share of those imports to the U.S. grew from 3% to over 21%.

Although globalization has hit hard at the resource sector, many newer industries in Atlantic Canada are benefiting from the opportunities in a more global economy. **The**



**information and communication technologies (ICT)** industry has grown substantially over the past decade, and now houses an estimated 2,000 firms in Atlantic Canada, including clusters of firms in multimedia and gaming, e-learning, e-health, ocean technology and defence-related software. The industry is also strongly linked to other important sectors including mining, and oil and gas. The region's ICT industry grew more than twice as fast as the overall economy between 1997 and 2008, increasing its share of the region's GDP from 2.5% to 3.7%. Nova Scotia has the largest ICT industry in Atlantic Canada, accounting for 4.3% of GDP (compared with 4.4% nationally), trailing only Ontario and Quebec in relative importance. All provinces are currently expanding broadband infrastructure to give widespread access and assist the growth of this sector: the three Maritime provinces expect to have 100% broadband coverage by the end of 2010 while Newfoundland and Labrador is expanding its high-speed networks including a broadband link to Labrador.

**Bioscience** firms are a small but increasingly important component of each provincial economy, providing an opportunity to add value to existing resource sectors such as fishing and forestry as well as take advantage of strengths in the region's research community. The biosciences can be defined to include businesses engaged in biologically related R&D and production such as biotechnology, pharmaceuticals, medical manufacturers and medical technology. Based on evidence provided by industry associations, it is estimated there are approximately 100 bioscience firms in Atlantic Canada. A study by BioNova identified 50 bioscience companies in Nova Scotia employing 1,100, with a payroll of \$58 million and revenues from sales of \$181 million in 2005<sup>ii</sup>. In Prince Edward Island, the BioAlliance reports that the bioscience sector employs 400 people in

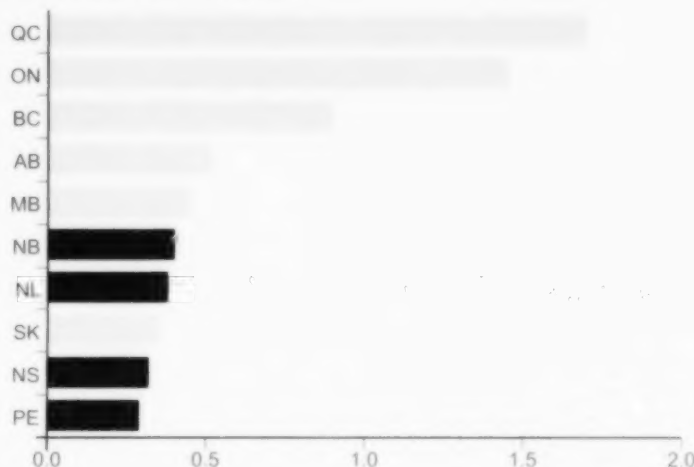


private sector businesses, generating revenues of \$62 million in 2006 and an additional 250 people in the public sector<sup>iii</sup>. Both provincial and federal governments in Atlantic Canada have thrown a considerable level of support at this sector in terms of developing research platforms and offering industry incentives. While the bioscience industry in Atlantic Canada is small, some firms have already achieved success in some global niche markets.

The **aerospace and defence industry** includes over 200 aerospace, defence, space, marine and security companies, employing an estimated 10,000 in Atlantic Canada. The sector has grown strongly, in part due to an average annual growth in Canadian defence spending of 8% since 2001. Export sales almost doubled between 2001 and 2008 to \$1 billion annually. Federal defence spending is expected to decline once Canada completes its deployment in Afghanistan after 2011, however commitments to arctic sovereignty could boost investment in coastal security and marine technologies. The development of innovative technologies in defence related

## Behind the Economic Recovery: Fundamental Changes Underway in Atlantic Canada

**Two Elements Are Essential: Investing in New Technologies...**  
Business R & D as a % of GDP, 2006



Source: Statistics Canada

fields such as cyber-security, intelligence, surveillance, reconnaissance, remotely piloted vehicles and data fusion will almost certainly fuel future demand. Orders for business jets are already improving, providing a boon to Nova Scotia's aerospace parts manufacturers.

All four provinces target the growth of the aerospace and defence sector through industry incentives and the provision of specialized training. The defence industry is closely linked to the military presence in the region: there are seven military bases in Atlantic Canada with over 24,000 military personnel, comprising about 19% of Canada's military employment.

The growth of new industries and the retrenchment of others provides clear evidence of the effect of globalization on Atlantic Canada's economy. The negative consequences of industrial restructuring are more evident in communities beyond the reach of urban areas, particularly those in which resource industries have been the dominant force. The closure of a major employer, or the loss of jobs as firms

downsize or seek to improve productivity is continuing to have enormous repercussions for many towns and rural areas across the region, contributing to a steady outflow of population. The opportunities to recapture employment in these firms, or indeed anywhere in the manufacturing sector is clearly limited given the continued pressure from international competition. The experience of Atlantic Canada in this regard is not unique, but the concentration of employment in resource-based industries has meant that restructuring is having a greater impact in Atlantic Canada than in provinces where larger urban areas provide a stabilizing influence.

To what extent can some of the new sources of growth identified in this article provide a counterbalance for jobs lost in some traditional industries? The energy sector has quickly grown to become the most important group of industries in Atlantic Canada. It has been a tremendous boost to both output and indirect employment, particularly in Newfoundland and Labrador where average earnings have risen rapidly. However, the direct employment footprint in the energy sector is small relative to its share of output, just 18,000 across the region, comprising less than 2% of the region's labour force compared to a 11% share of output, which is a reflection of the high capital intensity in this industry. Most of the employment gains arising from the expansion of activity in the energy sector are occurring in the business and professional services, or more broadly diffused across consumer spending and housing. Consequently, Newfoundland and Labrador's employment growth is largely concentrated in the urban area around St. John's.

A similar trend is evident in the ICT, defence and biosciences, industries typically with incomes well above the all-industry average in Atlantic Canada. Manufacturing

is an important component of these industries, though the share of employment in advanced manufacturing sectors is still relatively small in Atlantic Canada. However, whether in the service or manufacturing side of these industries, most of the employment growth is now taking place in urban areas: about 70% of the ICT labour force is currently concentrated in Atlantic Canada's six largest cities.

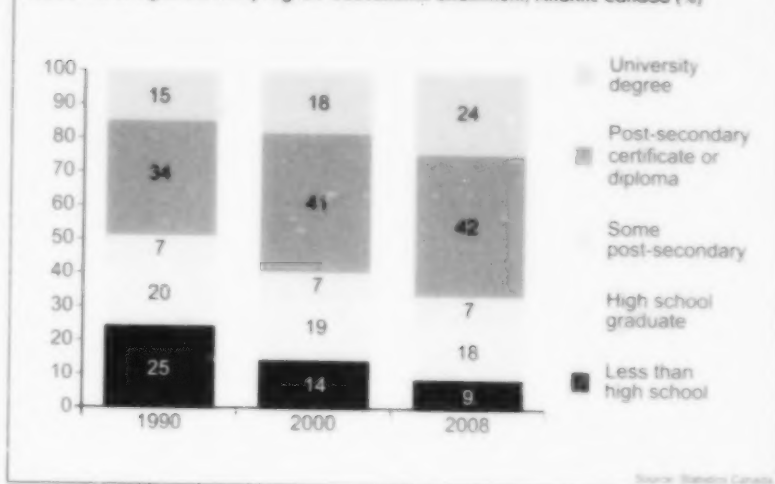
These concurrent trends – the continuing concentration of employment in the services and the ensuing flow of jobs and population into urban areas – are likely to dominate in Atlantic Canada's evolution over the coming decade. The benefits of these changes are already evident in lower unemployment rates and higher incomes in many parts of this region. Does this shift in industrial structure imply that over time, Atlantic Canada will be able to move beyond decades-long sub-par performance and generate growth and productivity performance on par with other provinces? The potential for substantial change is clearly there – Newfoundland and Labrador has vaulted to new heights in terms of growth and labour productivity on the backs of the expansion in the energy sector, exposing the tremendous gains that can ensue from investment in new industries. Is there similar potential to improve productivity performance in the rest of the region's economy?

Improving productivity performance to meet the challenges of the global economy can be thought of as Atlantic Canada's defining challenge. Two decades of slow growth has contributed to low incomes, poor returns to capital and weak employment growth. However in order to raise the bar two crucial areas need to be addressed.

The first of these is to improve competitive capacity at the firm level by encouraging firms to become more innovative, and in

#### ...And Investing in Human Capital

Labour force aged 25-44 by highest educational attainment, Atlantic Canada (%)



particular to invest in research and development. Business spending on R&D is low in Atlantic Canada, more so than in any other part of the country. It is not essential that firms are developers of new technologies. However if they are to meet their global competitors head on, they need to be at the forefront in terms of the acquisition and use of the best technologies at their disposal.

A second element is the need to focus on human capital. Economies require continued investment in education and skills to meet the demands of an increasingly knowledge intensive economy. Encouraging on-the-job training, improving access to post-secondary training for disadvantaged groups and adopting a broad platform of literacy education would steadily improve the region's human capital. ■

i APEC, Spring 2009 Atlantic Report - Major Projects Inventory

ii BioNova, 2007, Nova Scotia Life Sciences Asset Map

iii Prince Edward Island BioAlliance Inc., November 2005, Strategy for PEI Bioscience Cluster Development

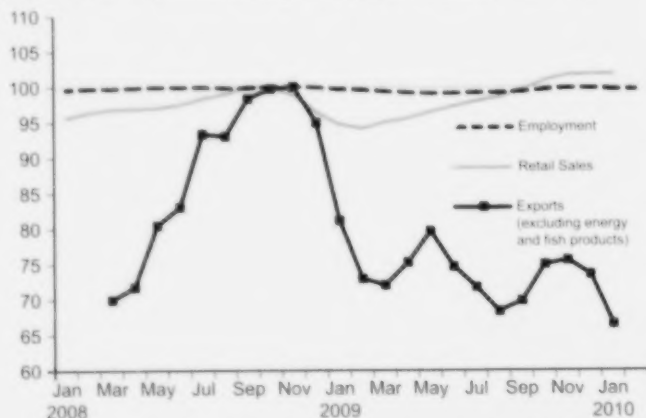
# Atlantic Overview

## Signs of Recovery

The Atlantic economy is showing some signs of emerging from the recession. Retail spending has now exceeded its pre-recession peak while stimulus spending on public infrastructure is helping to keep the construction sector busy. However, exports remain subdued and employment in the region as a whole is still slightly below pre-recession levels.

Monthly retail spending in Atlantic Canada has recovered and is currently 1.7% higher than its level prior to the recession. Retail sales fell substantially at the end of 2008 and early 2009 as consumers cancelled or postponed car purchases. However, aggregate spending on items other than motor vehicles and gasoline continued to grow throughout the recession. In the last quarter of 2009 car sales also turned around with a 7% year-over-year increase after four consecutive quarters of decline.

**Atlantic Consumers Recover from Recession While Exporters Still Struggling**  
Index, Atlantic Canada (3-month moving average, pre-recession peak =100)



Source: Statistics Canada, APEC

Overall construction activity in the Atlantic region held up during the recession. According to the Labour Force Survey, average employment in Atlantic Canada's construction industry in 2009 was 2.3% higher than the year before, boosted by strong job growth in New Brunswick. Total construction investment in Atlantic Canada grew by 1.7% in 2009 compared with a 10% decline nationally. In the non-residential construction sector, a 12% increase in public spending in Atlantic Canada in 2009 offset a 4% decline in private investment. A further 15% increase in public sector construction activity across the region

is expected in 2010 as infrastructure stimulus projects continue to ramp up.

Total spending on residential construction in Atlantic Canada in 2009 was up 1.6%, led by gains in Newfoundland and Labrador and Prince Edward Island, and contrasts with an 11% decline nationally. In terms of new construction, Atlantic Canada recorded year-over-year declines in the number of housing starts beginning in the third quarter of 2008. However, activity seems to have stabilised by the fourth quarter of 2009 with new home construction at similar levels to the fourth quarter of 2008. Despite a 7% decline in resale activity, Atlantic renovation spending was up 3.4% in 2009, boosted by the federal Home Renovation Tax Credit which expired in February 2010. CMHC expects Atlantic housing starts to increase by a modest 1% this year; Prince Edward Island is an exception where multi-unit starts will fall back sharply from last year's record high. A modest gain in resale volumes and prices is also expected across the region.

Atlantic Canada's energy exports took a big hit in the recession (currently down 51% from their peak) due to lower commodity prices, weak demand and lower output. Natural gas prices have recovered during the winter months averaging US\$5.32/mmbtu in the first twelve weeks of 2010, compared with an average price of US\$3.95/mmbtu in 2009. Oil prices have averaged US\$79/barrel so far this year, well above last year's average of US\$61/barrel. Similarly, Atlantic mining exports are currently about 60% lower than their peak in 2008 but metal prices in the early part of 2010 are well above average prices recorded during 2009.

Overall, Atlantic non-energy exports are down about 35% from their pre-recession peak with no sign yet of a pick-up. Global trade indicators are showing signs of recovery and the IMF expects global trade volumes to grow by almost 6% in 2010 after last year's 12% decline. Policy stimulus and the inventory cycle are still driving the recovery, particularly in advanced economies. While U.S. economic growth accelerated to an annualized rate of almost 6% in the last quarter of 2009, this was largely due to a slowdown in the rate of inventory reduction. A sustained recovery in U.S. employment is not yet apparent and a modest recovery in the housing market has stalled in recent months. The

Federal Reserve is still committed to maintaining low interest rates "for an extended period".

Reflecting these conflicting pressures, with relatively strong domestic spending but weak external demand, overall employment in Atlantic Canada has yet to recover from its pre-recession peak. Prince Edward Island is the exception with employment currently 1% higher than before the recession. Atlantic job losses in manufacturing and private services in 2009 were only partially offset by public sector job growth. However, with all three levels of government facing fiscal challenges, the public sector cannot be relied on as the main source of job growth over the next few years. The March federal budget in Canada announced a freeze on

federal departments, salary and operating budgets as well as a slower growth path for defence spending beginning in 2012.

While the fiscal stimulus measures announced in the January 2009 budget will continue to provide support to the Canadian economy in 2010, expectations are growing that the Bank of Canada will begin raising interest rates by July, somewhat sooner than previously anticipated. The Canadian economy grew strongly at the end of 2009 and the core inflation rate, currently 2.1%, has been firmer than projected. A strong Canadian dollar will continue to have a dampening effect on the export sector. The Canadian dollar averaged US\$0.985 in the third week of March. ■

## ATLANTIC ECONOMIC TRENDS: FROM RECESSION TO RECOVERY

### Labour Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Employment	% from peak	-1.9%	1.0%	-1.2%	-0.6%	-0.5%	-1.5%
	Trend	Recovering	Recovered	Stable	Stable	Stable	Recovering
Unemployment Rate	% from trough	20%	8%	29%	27%	19%	44%
	Trend	Peaked	Recovering	Stable	Stable	Peaked	Peaked
Unemployment Rate	% point from trough	2.3	0.4	2.1	1.8	1.6	24
	Trend	Peaked	Recovering	Stable	Stable	Peaked	Peaked

### Consumer Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Consumer Price Index (CPI)	% point from peak	-1.8	-2.0	-1.7	0.8	n/a	-1.8
	Trend	Recovering	Recovering	Recovering	Recovered	n/a	Recovering
Residential Permits	% from peak	20.9%	-21.7%	5.5%	-12.8%	8.9%	-0.1%
	Trend	Recovered	Stable	Recovered	Not clear	Recovered	Recovered
Urban Housing Starts	08Q4 to 09Q4	-9.2%	65%	-0.4%	-6.7%	-0.8%	-1.2%
	Trend	n/a	n/a	n/a	n/a	n/a	n/a
Rural Housing Starts	08Q4 to 09Q4	21%	53%	8.9%	-16%	7.1%	0.5%
	Trend	n/a	n/a	n/a	n/a	n/a	n/a
Retail Trade	% from peak	3.9%	2.7%	2.4%	-0.7%	1.7%	-1.5%
	Trend	Recovered	Recovered	Recovered	Not clear	Recovered	Recovering

### Industrial Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
Total Non-Energy Exports	% from peak	-59%	-22%	-24%	-30%	-35%	-25%
	Trend	Stable	Weakening	Stable	Stable	Stable	Stable
Total Energy Exports	% from peak	-62%	n/a	-78%	-32%	-51%	-40%
	Trend	Stable	n/a	Stable	Recovering	Recovering	Stable
Manufacturing Shipments	% from peak	-44%	-13%	-19%	-27%	-27%	-17%
	Trend	Stable	Weakening	Stable	Recovering	Recovering	Recovering
Non-Residential Permits	% from peak	-60%	-74%	-34%	-36%	-39%	-27%
	Trend	Stable	Not clear	Stable	Not clear	Not clear	Not clear

Note: "% from peak" measured as average of last 3 months relative to pre-recession (average 3-month) peak. Timing of peak varies by indicator and province. Latest data point is January 2010 except for labour market data and the inflation rate (February 2010).

Source: Statistics Canada, APEC



# Provincial Report

## Newfoundland & Labrador

### 2009 in Review

Consumers in Newfoundland and Labrador were largely unhurt by the recession, though many of the province's resource-based firms felt the full impact of the downturn. Employment in Newfoundland and Labrador in 2009 was over 5,000 lower than in 2008 but employment has been recovering in recent

months. In February 2010, employment was back to its July 2008 level. The job losses in 2009 were strongest in the southern (-9%) and northern (-6%) regions while employment was only marginally lower on the Avalon peninsula (-0.6%). Most of the losses were in the manufacturing and primary sectors along with a drop in business services employ-

ment which is largely call centres. The losses in the manufacturing and primary industries can be attributed to the downsizing of the forest sector in the province as well as the fishery last year.

*Rising incomes in Newfoundland and Labrador are a key factor behind the stronger growth in retail sales and housing over the last few years.*

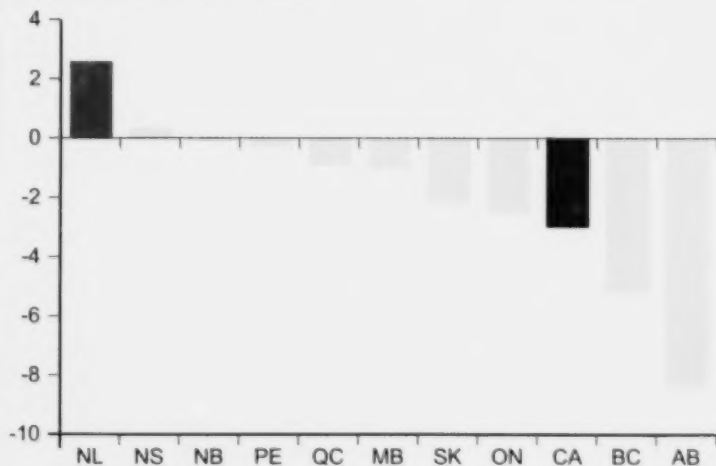
Consumer spending kept growing through 2009 despite the recession. Retail sales increased by 2.6% last year -- the strongest rate of growth in Canada. This follows 7.8% growth in 2008 which was the second strongest rate of growth in the country. Growth in 2009 was led by increases in sales at general merchandise stores, grocery stores, pharmacies and home building centres, the latter boosted by the federal home renovation tax credit. Fourth quarter retail sales were even stronger, up 5.4% as auto sales and gas prices started to bounce back.

Housing starts ended the year down 6% but that was the second smallest decline in the country behind Prince Edward Island and favourable to the nearly 30% drop nationally. This was the third straight year that the province has outperformed the rest of the country in housing construction.

Rising incomes in Newfoundland and Labrador are a key factor behind the stronger growth in retail sales and housing over the last few years. The increase in labour income over the last three years has averaged 6.3% in Newfoundland and Labrador compared to 3.7% nationally including a 3.4% increase in 2009 compared to a slight decline nationally. Large capital investment projects in the province are playing an important role in boosting incomes as are recent public-sector wage settlements in the province.

Newfoundland and Labrador was the province hardest hit by the plunge in commodity prices last year. Exports were down 41% last year or about \$6 billion lower. A drop in oil exports was the main factor with oil prices down 38% and production down about 20%. Other resource sectors were also hit as weaker commodity prices and lower mining production cut into mining exports. The value of mineral shipments fell 49% in 2009 but should bounce back in 2010 due to stronger prices and production. Workers at the Vale Inco mine in Voisey's Bay have been on strike since last summer. The mine is now back in operation, although using non-unionized staff. Forest sector exports fell over

**Retail Spending Continued to Grow in Newfoundland & Labrador Despite the Recession**  
Change in retail sales 2008 - 2009 (%)



Source: Statistics Canada



50% in 2009 as production was slashed with the closure of the AbitibiBowater mill early in 2009 and the price of newsprint fell about 20% last year. Exports in 2010 should begin to rebound as commodity prices improve.

## Energy

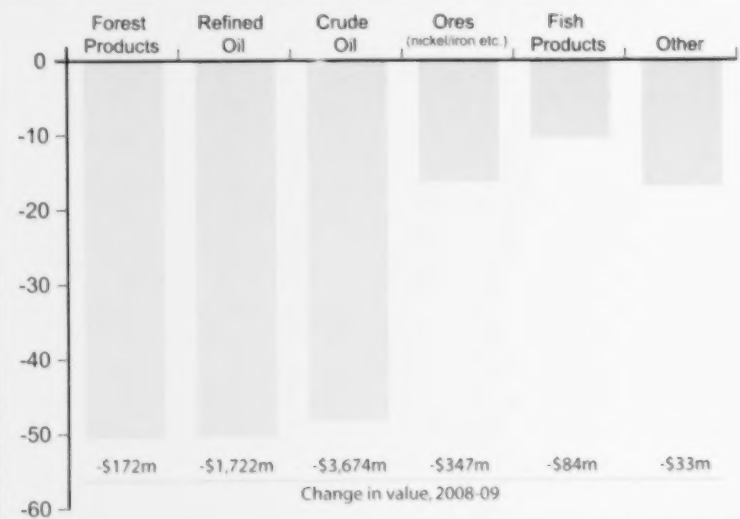
The Provincial Government finalized an agreement in February with industry partners to develop the Hibernia Southern Extension and to acquire a 10% stake in the project for \$30 million through Nalcor Energy. The Hibernia partners filed a development plan with the Canada-NL Offshore Petroleum Board in early February. The Hibernia Southern Extension contains an estimated 220 million barrels of oil and is estimated to return \$13 billion to the Provincial Government in royalties, corporate income tax and return on its investment through Nalcor. A first phase of the Hibernia South project containing an estimated 48 million barrels of oil started producing oil in November. The signed agreement will also help ease the provinces deficit this year as a dispute on transportation costs was settled which triggered an earlier payout on the Hibernia project. This resulted in an additional \$158 million in royalties this fiscal year which, along with higher than forecast oil prices and a partial recovery in the province's pension plans, helped bring the deficit down to \$295 million from \$750 million in 2009/2010. Stronger oil prices are also a major reason behind an improvement in the deficit to \$194 million in 2010/2011.

## Fishery

The fishing industry in the province is preparing for another rough year as fishers and processors continue to battle over pricing. Fisherman and processors signed a Memorandum of Understanding last summer regarding the long-term development of the province's fishing industry but a final agreement has not yet been reached. Seafood producers are refusing to use the current mechanism that is in place for settling price disputes and the union for fisherman will not fish until an agreement is finalized.

### All Major Export Sectors Were Hit by the Recession

Change in Newfoundland & Labrador merchandise exports 2008 - 2009 (%)



Source: Statistics Canada/APEC

The situation has been intensified by the weak global economy which has cut into exports and the rising Canadian dollar which has reduced competitiveness. If fishermen and processors are unable to reach an agreement it could lead to a delay in the start of the fishing season for many species. The weakness in the global economy combined with the lost catch in the shrimp fishery last year led to a 10% decline in fish exports in 2009 or a loss of \$84 million. The biggest losses came in exports to China, Japan and the European Union.

## Mining

Record high gold prices are pushing several projects forward in 2010. Castillian Resources of Toronto recently purchased the Hope Brook gold mine site in southern Newfoundland. The company plans to do exploratory drilling later this year. Rambler Metals and Mining purchased the Nugget Pond gold mine last fall and hopes to reopen that facility soon. An expansion by Anaconda Mining at the Pine Cove Mine on the Baie Verte Peninsula is underway which will boost gold production later this year. ■

# Provincial Report

## Prince Edward Island

### 2009 in Review

Prince Edward Island's economy avoided the brunt of the recession in 2009 as a result of strong growth in labour income while residential and public infrastructure investment helped offset a decline in private non-residential investment.

minimum wage rose to \$8.40 in October 2009. Retail sales dipped 0.3% in 2009, with weaker spending on motor vehicles and items for the home including furniture and appliances.

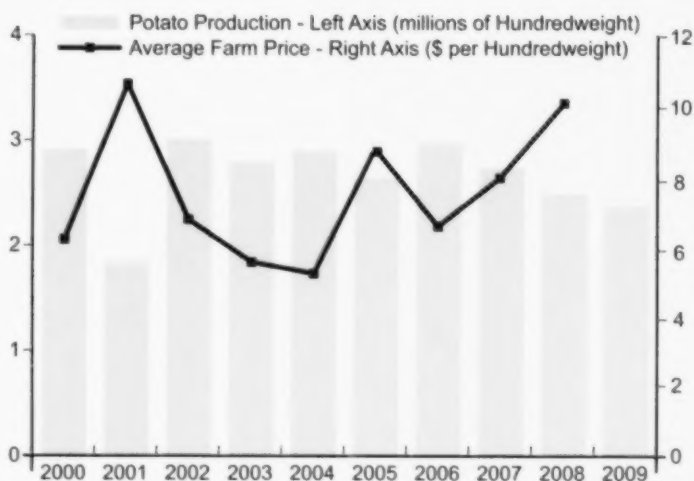
Tourism results were mixed in 2009. Confederation Bridge traffic increased 9% in 2009 and the number of cruise ship passengers visiting the Port of Charlottetown increased 10%. Meanwhile air traffic was down slightly and total room nights sold were down 3.6%. Visitors from Canada rose 2% but visits from U.S. and other international tourists were down 10% and 42% respectively due to the recession.

Housing starts increased 23% in 2009, in part due to strong labour income growth and low mortgage rates. MLS prices were flat in 2009, as new construction outpaced existing housing purchases. The provincial government announced that it will continue with its freeze on residential property tax assessments for 2010. The program has saved homeowners an estimated \$5.5 million since it was introduced in 2007. Non-residential investment fell 12% due to a sharp drop in private sector investment reflecting the completion of major projects such as the West Cape wind farm and the Cavendish Farms biogas facility. Non-residential investment is projected to increase by 6.6% in 2010.

Manufacturing shipments dipped 2.9% in 2009, led by a 44% free-fall in fish products. Increases in chemical and transportation equipment manufacturing tempered the slide in manufacturing shipments. Prince Edward Island exports edged down 2% in 2009, led by declines in potatoes, lobster and crab. Meanwhile, exports of frozen potato products (i.e. french fries), aircraft parts, and peat were up.

Potato production dipped almost 5% in 2009 and a large share of the 2010 seed crop has been plagued by disease. Both McCain's

Prince Edward Island Potato Production Curtailed to Help Prices



Source: Statistics Canada

Labour income increased 4.9% in the first three quarters of 2009 as average weekly wages rose 4.4% in 2009. Inflation dipped 0.2% in 2009 as a result of a 16% drop in energy prices implying a substantial gain in real incomes. Employment declined 1% in 2009, with losses concentrated in manufacturing and private sector services. As a result the unemployment rate jumped to 12% in 2009 and the number of regular EI beneficiaries rose 10.5%.

Prince Edward Island is considering introducing a two-tiered minimum wage with a higher rate for experienced workers. The existing

**Labour income increased 4.9% in the first three quarters of 2009 as average weekly wages rose 4.4% in 2009. Inflation dipped 0.2% in 2009...implying a substantial gain in real incomes.**

and Cavendish Farms are reducing the amount of potatoes purchased from farmers in Prince Edward Island this year due to declining demand for french fries in the U.S. and the strong Canadian dollar.

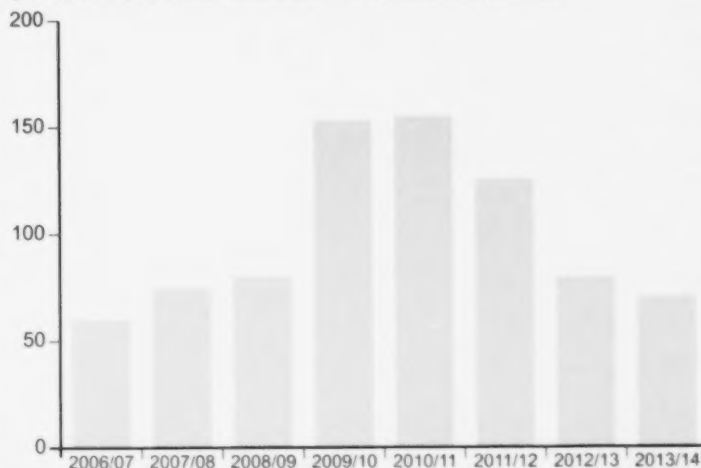
Primary fish exports fell over 24% in 2009, even though exports in volume terms only dipped 2%. The spring 2009 lobster fishery yielded 3% more landings than the previous year, but lobster prices fell to their lowest point in twenty years. A world-wide ban on bluefin tuna exports was not approved, which could have hurt Prince Edward Island's \$5 million tuna fishery.

## Energy

Prince Edward Island's goal is to have 500 MW of installed wind power by 2013 up from the current 164 MW. Maritime Electric issued a request for proposals for 130 MW of wind energy, including 100 MW for export, and received six proposals in early 2010. This could lead to \$260 million in investment and increase P.E.I.'s wind energy to 24% of total electricity produced. P.E.I. is considering increasing its wind export capacity by investing about \$100 million in a transmission cable that would link up with the mainland grid in New Brunswick. P.E.I.'s wind industry suffered a blow when Tignish, the site of the province's first wind farm, banned further wind development. Wind developers currently get a 30% discount on transmission rates for exports but are charged a \$15,000/MW environmental royalty by the province.

Cavendish Farm's bio-gas facility started operations in 2009 and will produce 12.6 MW of energy. Maritime Electric is spending \$2 million a month on replacement power because of the Point Lepreau shut-down and they will recoup these deferred costs over a twenty-five year period when Point Lepreau re-opens. Maritime Electric has asked for approval to increase its Energy Cost Adjustment

**Government Capital Stimulus to Continue This Year**  
Capital spending by the Prince Edward Island government (\$millions)



Source: PEI Dept. of Finance and Municipal Affairs

Mechanism by 1.7 cents per kWh on April 1, 2010. P.E.I. is negotiating with Hydro Quebec on a potential deal to buy electricity.

## Capital Budget Forecast

The second year of the province's planned capital stimulus will include record spending of \$155 million in 2010/2011. Spending is similar to last year and well above the average of about \$71 million in the previous three years. The provincial government estimates that the capital budget will create 1,625 jobs, add \$11.4 million to tax revenues and boost GDP by \$62 million in 2010/2011.

Transportation projects account for the largest share of the budget at \$55 million including upgrades to the province's highways and bridges. About \$51 million will go to health care projects including continued work the Queen Elizabeth Hospital expansion and the construction of new seniors facilities. As well, over \$19 million will fund new school construction and other school projects. Capital spending will be reduced in subsequent years falling to \$79 million by 2012/2013. ■

# Provincial Report

## Nova Scotia

### 2009 in Review

Last year was a tough year for the Nova Scotia economy as most indicators were flat or down with housing and exports hit hardest. However there were signs of improvement in retail and housing in the latter half of the year as the provincial economy emerged from the recession.

Employment in Nova Scotia in 2009 was virtually unchanged from the previous year besting a 1.6% decline nationally. However,

employment in the last quarter was 0.9% below the peak in the fall of 2008. Employment in Halifax was stronger than in the rest of the province posting a 3% increase in 2009 compared to a 2.7% decline in other areas. The largest decline in employment in the province

came in the manufacturing sector which has mainly impacted rural areas. Other areas of weakness include business support services which reflects the closure or downsizing of several call centres in the province and weak

spending by consumers and a slow tourist season led to job losses in the retail sector.

Retail sales ended 2009 up a modest 0.4% but outperformed a 3.2% decline in Canada. Consumers helped to bail out retailers late in the year as retail sales were up 7% in the fourth quarter and 10% in December compared to the previous year, ranking highest in the country for both periods. While weak gasoline sales (due to lower prices) and auto sales were the main dampening factors in the first nine months, they were a key factor in the improvement in the fourth quarter. All retail components improved in the fourth quarter of 2009 compared to the previous year with the exception of furniture sales which were hit by a weak housing market.

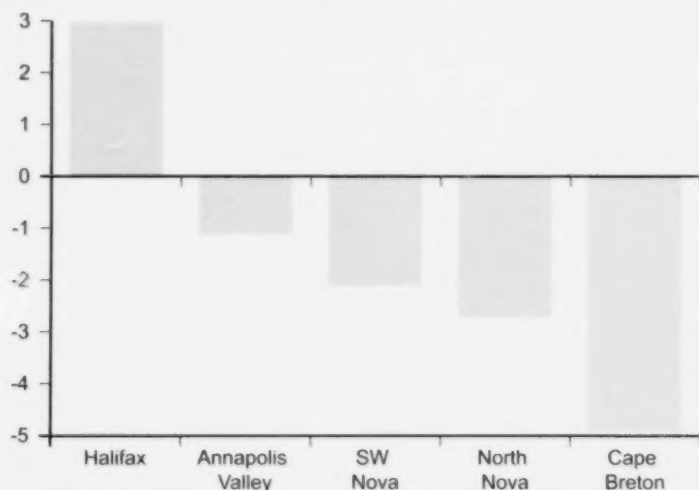
While the housing market in Nova Scotia did not fall off as much as the rest of the country it was one of the weakest years in recent memory. Housing starts totalled about 3,400 in 2009 down nearly 17% over the previous year with the biggest decline coming in single family homes and condo construction. However, there was improvement over the last half of 2009, as starts improved by 1.3% after plummeting 37% in the first half. Existing home sales were down nearly 6% in Halifax while prices improved about 3%.

Exports were down 27% in 2009 led by a 63% drop in natural gas exports. Production at the Sable gas field was down about 22% in 2009 and prices were off 57% last year. While production is expected to improve this year the biggest gain will come from prices which are expected to be about 40% higher. All of the other major export products had some pull back in 2009 but most are expected to see some improvement this year. Even the beleaguered forest sector is getting some relief from stronger commodity prices early in 2010. The movement of goods through the Port of Halifax took a hit last year with containerized cargo down 11% and overall cargo down 6% but again there was some improvement in the second half as the addition of new shipping lines boosted containerized cargo by 4% over the previous year.

**Retail sales ended 2009 up a modest 0.4% but outperformed a 3.2% decline in Canada.**

**Consumers helped to bail out retailers late in the year as retail sales were up 7% in the fourth quarter and 10% in December.**

**Employment Gains in Halifax Were Offset by Declines in Rest of the Province**  
Change in employment, 2008 - 2009 (%)



Source: Statistics Canada/APEC

## Mining and Energy

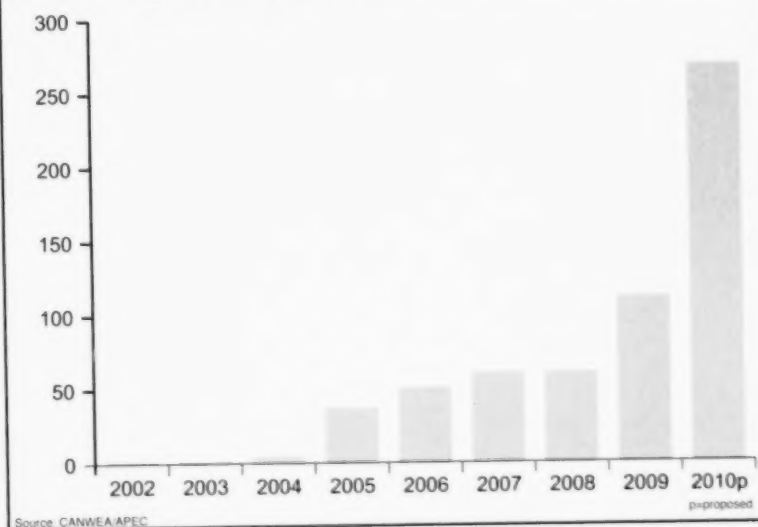
The planned Donkin coal mine project took a step forward in February when Swiss-based Xstrata announced it had completed a strategic review of the development plan and will now focus on finding global export markets for coking coal. Xstrata (75%) and its partner, Erdene Resources (25%) of Dartmouth had hoped to sell the coal to Nova Scotia Power Inc. (NSPI) but a deal could not be reached. The \$300-million project would produce 2.75 million tonnes of coal per year and create up to 200 jobs if it receives final approval.

First gas from Encana's Deep Panuke project is now expected to come in the first half of 2011 instead of the end of this year. A delay in the delivery of the production field centre which is being built by Single Buoy Moorings in Abu Dhabi is the main factor behind the later date. The Rowan Gorilla III began drilling on the field in January and will spend much of this year completing production wells.

ExxonMobil hopes to begin a seabed survey later this year that could lead to the addition of new fields at the Sable project. The Glenelg and Citnalta fields along with potential unnamed fields could be added over the next few years which would prolong the life of the project and infuse hundreds of millions into the Nova Scotia offshore sector.

Wind power projects are expected to gain some momentum in 2010 as NSPI looks to meet a provincial deadline for renewable energy production by the end of 2010. NSPI will build the \$120 million Nuttby wind farm (45 MW) this year and is partnering with Renewable Energy Services Ltd. on a \$56 million wind project at Point Tupper (22 MW). NSPI's parent company Emera also plans to build a \$75 million wind farm near Digby (30 MW). The \$160 million Glen Dhu wind project (60 MW) by Shear Wind is also expected to be online by the end of the year. A \$75 million project by Spanish-owned Accoina Energy (30 MW) is still on hold. NSPI also announced plans to add over \$45 million

**Wind Energy Capacity in Nova Scotia is Set to Increase Substantially in 2010**  
Total Wind Energy Installed Capacity (MW)



in community wind power purchases that will generate 19 MW of power by July 2012.

## Tourism

The number of visitors to Nova Scotia rose slightly last year to nearly 2.1 million but overall expenditures were down 1%. The number of visitors from other parts of Canada increased but travel from the U.S. and other countries fell 3% and 6% respectively. Weaker international travel is the main reason behind the decline in spending as visitors from other countries are typically the biggest spenders. The number of U.S. visitors has steadily declined from 301,000 in 2004 to 185,000 last year while other international visitors peaked in 2005 at 78,000 and has fallen to 69,000 in 2009.

The 2010 season is not expected to bounce back – international visits will remain weak as the European economy slowly recovers and the high Canadian dollar and border restrictions (including passport requirements) will limit growth in U.S. travel to Canada. The loss of the CAT ferry between Yarmouth and Maine will also dampen visits as 26,000 Americans used the service in 2009 or about 14% of the U.S. total. ■



# Provincial Report

## New Brunswick

### Current Conditions

New Brunswick's economy did not recede as much as in Canada and internationally in 2009. New Brunswick benefited from growth in incomes and stable spending. This was offset by declining exports, due to reduced global demand and falling commodity prices.

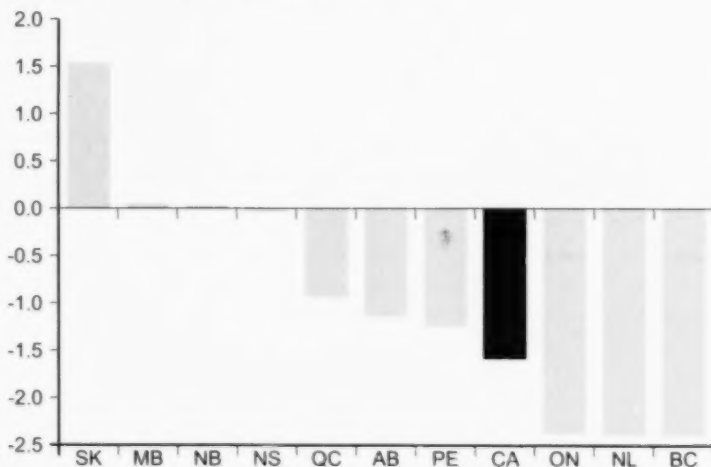
Labour income grew 2.1% in the first three quarters of 2009, boosted by a 2.4% increase in average weekly wages. Inflation crept up a mere

and gasoline sales. Declining consumer confidence kept car buyers away from car lots, while falling fuel prices reduced gasoline sales.

Housing starts fell 18% in 2009, with significant declines in Moncton and Saint John, while Fredericton had marginal growth. Residential investment dipped 2% in 2009, as a result of a double digit decline in the number of new dwellings. A 3% increase in renovation investment, due to the home renovation tax credit, slowed the decline in investment. MLS prices for existing housing increased 6%, as a result of higher demand due to low interest rates.

Non-residential construction investment declined 16% in 2009. The large drop is due to the completion of the Canaport LNG facility (not including the third storage tank which is expected to be completed by May 2010) and the Brunswick Pipeline. Statistics Canada investment intentions predict construction investment will fall a further 8% in 2010. Increased public sector investment will not be sufficient to offset declines in private sector investment in 2010. Potash Corporation's \$1.7 billion Piccadilly mine and continued work on NB Power's \$1.4 billion Point Lepreau refurbishment will limit the decline in 2010.

**New Brunswick Employment Remained Stable in 2009**  
Change in employment 2008 - 2009 (%)



Source: Statistics Canada

0.3% because of lower energy prices, allowing for real growth in incomes. Employment remained stable, which was better than Canada's 1.6% retreat. Gains in construction and the public sector offset losses in manufacturing, trade and transportation. The unemployment rate crept up 0.3 percentage points to 8.9% because the labour force expanded 0.4%. Rising unemployment resulted in the number of regular EI beneficiaries jumping 17%.

**Non-energy exports declined 8.5% in 2009. Manufacturing exports nose-dived 22%, led by declines in exports of seafood and forest product.**

New Brunswick retail sales were flat in 2009, albeit sustained by higher incomes. Gains in furniture, hardware, and pharmacy sales offset declines in new and used cars

Energy exports from New Brunswick fell 22% in 2009 due to a sharp drop in oil prices while the volume of refined petroleum exports from Atlantic Canada increased by 5%. The outlook for energy exports will improve due to a recovery in energy prices and a full year of production from the Canaport LNG facility. The Canaport facility began operations in June 2009 and has an output capacity of 1.2 billion cubic feet per day.

Non-energy exports declined 8.5% in 2009. Manufacturing exports nose-dived 22%, led by declines in exports of seafood and forest product. Despite a decline in the value of exports, the Port of Saint John's cargo tonnage handled increased 5% in 2009 and the number of cruise passengers was up 3%. Overall, the tourist season experienced mixed results, with the number of tourism visitors to New Brunswick up 6%, while the number of room nights sold fell 2%.



## Resource Sectors

Agriculture employment increased by 1,200 in 2009 and farm cash receipts in New Brunswick increased 6.9% in the first three quarters of 2009, mainly due to a 17% increase in crop receipts. However, potato production will be curtailed in 2010 after McCain's announced that it would be cutting its purchases from farmers this year due to falling demand for french fries in the U.S., a stronger dollar a flood of cheap European potatoes on the market and leftover crop from last year. Fishing industry exports in volume terms were flat in 2009, but the value of fish exports fell 8%. Lobster prices remain depressed, at \$4.25/lb in late March, well below the \$7/lb price at the end of winter 2008.

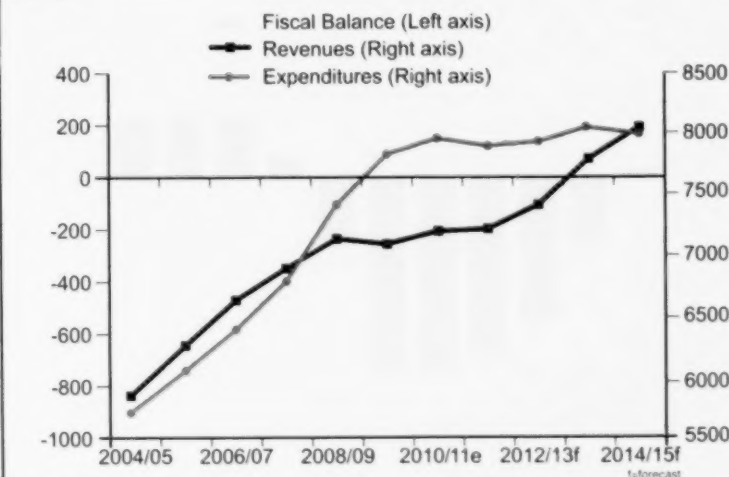
The forestry sector was impacted by lower global demand and reduced commodity prices. Pulp mill and sawmill exports fell 27% and 8%, respectively, while paper mill exports edged up 8%. One a positive note Fraser Papers re-opened its sawmill in Plaster Rock after a nine-month shutdown and TAG Enterprises has filed a business plan for the potential takeover of the Weyerhaeuser strandboard mill in Miramichi.

The mining sector also experienced a downturn in 2009, as potash exports fell 69% and zinc exports fell 30%. Potash Corporation had three shutdowns during 2009 at its Penobquis mine. The closure of NB Coal Ltd. in Minto will reduce mining output in 2010. A potential buyer for Blue Note Mining's lead-zinc mine in Caribou has tabled a plan to re-open the mine in 2010.

## Energy

The biggest energy news in New Brunswick was the proposed sale of NB Power's hydro generating assets and the Point Lepreau nuclear generating station to Hydro Quebec for \$3.2 billion, but a final agreement could not be reached with Hydro Quebec due to issues with respect to valuation of the assets. Fort Reliance announced a new joint venture in early 2010 – Portage Energy Ltd. – to enhance electricity transmission tie-ins between New Brunswick and nearby jurisdictions. With a \$1-2 billion investment, the goals are to lower energy costs, reduce carbon emissions, promote a smart grid and improve economic development.

**Expenditure Restraint Key to Reining in New Brunswick Deficit**  
\$millions



Source: Finance Canada, NB Budget documents

Enbridge Gas New Brunswick has requested approval for significant rate increases. Natural gas prices in Canadian dollars fell 52% in 2009. Enbridge wants to increase its rates to the maximum allowable. Enbridge's rates are linked to target annual savings versus alternative fuels but current rates are well below operating costs.

## Fiscal Update

New Brunswick forecast that its budget deficit will be \$749 million in 2010/2011. Lower personal income tax revenues and less federal transfers for equalization are partially to blame. The Plan to Lower Taxes will remove an estimated \$258 million from provincial coffers in 2010/2011. New Brunswick's government will invest \$896 million in capital projects in 2010/2011, the second year of its \$1.6 billion capital plan. Debt charges will increase over 2009/2010 due to higher net debt brought on by the public infrastructure stimulus, as well as higher interest rates. The net debt-to-GDP ratio is expected to surpass 33% in 2010/2011. New Brunswick's medium-term fiscal plan predicts it will return to balance by 2014/2015, assuming it can limit total expenditure growth to 0.5% per year on average over the next five years. ■

# Atlantic Report

## Atlantic Economic Snapshot

### ATLANTIC ECONOMIC SNAPSHOT

#### Labour Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
<b>Employment</b> thousands	Jan-Dec 09	214.8	69.5	452.9	366.5	1.1	16,849.0
	Jan-Dec 08	220.0	70.2	453.2	366.2	1.1	17,120.6
	%change	-2.4	-1.1	0.0	0.1	-0.5	-1.6
<b>Unemployment Rate</b> percent	Jan-Dec 09	15.5	12.1	9.2	8.8	10.6	8.3
	Jan-Dec 08	13.3	10.7	7.7	8.6	9.3	6.2
<b>Unemployment Rate</b> percent (current month)	Jan 10	14.9	9.9	9.8	9.3	10.7	8.3
	Jan 09	14.6	12.1	8.9	8.8	10.2	7.3
<b>Participation Rate</b> percent	Jan-Dec 09	59.3	68.1	64.6	64.7	63.6	67.3
	Jan-Dec 08	59.6	68.7	63.9	64.8	63.5	67.8

#### Consumer Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
<b>Consumer Price Index (CPI)</b> 2002=100, unadjusted (period avg.)	Jan-Dec 09	114.6	117.3	115.7	113.5	n/a	114.4
	Jan-Dec 08	114.3	117.5	115.9	113.2	n/a	114.1
	%change	0.3	-0.1	-0.1	0.3	n/a	0.3
<b>Residential Permits</b> \$ millions	Jan-Dec 09	580.1	115.1	807.3	575.1	2,077.6	34,708.1
	Jan-Dec 08	579.5	118.3	789.2	590.0	2,077.0	40,878.4
	%change	0.1	-2.7	2.3	-2.5	0.0	-15.1
<b>Urban Housing Starts</b> Units; unadjusted	Jan-Dec 09	1,797.0	625.0	2,587.0	2,440.0	7,449.0	130,363.0
	Jan-Dec 08	2,003.0	452.0	3,144.0	3,019.0	8,618.0	187,370.0
	%change	-10.3	38.3	-17.7	-19.2	-13.6	-30.4
<b>Rural Housing Starts</b> Units; unadjusted	Jan-Dec 09	1,037.0	184.0	652.0	899.0	2,772.0	18,718.0
	Jan-Dec 08	1,032.0	217.0	656.0	1,132.0	3,037.0	23,68.0
	%change	0.5	-15.2	-0.6	-20.6	-8.7	-21.0
<b>Retail Trade</b> \$ millions	Jan-Dec 09	7,245.7	1,715.8	12,182.1	9,865.4	31,009.1	413,125.5
	Jan-Dec 08	7,064.2	1,720.9	12,130.8	9,873.3	30,789.1	426,046.7
	%change	2.6	-0.3	-2.2	-0.1	0.7	-3.0

#### Industrial Markets

	Period	NFLD	PEI	NS	NB	Atlantic	Canada
<b>Total Non-Energy Exports</b> \$ millions, unadjusted	Jan-Dec 09	2,833.7	848.2	3,604.9	3,431.8	10,718.5	277,339.2
	Jan-Dec 08	3,238.2	797.5	3,831.7	3,748.6	11,616.0	323,856.4
	%change	-12.5	6.4	-5.9	-8.5	-7.7	-14.4
<b>Total Energy Exports</b> \$ millions, unadjusted	Jan-Dec 09	5,686.9	12.8	588.4	6,515.9	12,803.9	81,249.2
	Jan-Dec 08	10,693.3	2.5	1,554.2	8,374.0	20,624.0	124,833.1
	%change	-46.8	412.5	-62.1	-22.2	-37.9	-34.9
<b>Manufacturing Shipments</b> \$ millions	Jan-Dec 09	4,481.5	1,329.2	9,032.5	14,097.3	28,940.4	493,527.3
	Jan-Dec 08	6,580.0	1,376.1	10,638.0	17,766.1	36,360.1	598,217.1
	%change	-31.9	-3.4	-15.1	-20.7	-20.4	-17.5
<b>Non-Residential Permits</b> \$ millions	Jan-Dec 09	186.2	63.5	561.4	573.2	1,384.3	26,341.3
	Jan-Dec 08	223.0	98.7	537.5	523.8	1,383.0	29,559.0
	%change	-16.5	-35.7	4.5	9.4	0.1	-10.9

Notes: Seasonally adjusted unless otherwise noted (unadjusted).

Source: Statistics Canada

The Atlantic Economic Snapshot is updated each month. APEC members can access the latest version, along with other economic indicators, on our member website. Visit [www.apec-econ.ca/login.asp](http://www.apec-econ.ca/login.asp) and select 'Economic Trend Data'.